

Business Justification Bureau of TennCare

Section 1: Executive Summary

TennCare has targeted 24 groups for participation in the Voluntary Separation Program (VSP). A listing of each group follows with detailed information concerning the business reasons for selecting the group, estimated operational impact and mitigating strategies contained in the Business Justification and Assessment section of this document. In most cases, all eligible employees in the listed group will be offered the VSP. If any particular employee in the group who would have been eligible for the VSP (e.g. team leaders) is excluded from the VSP offer, information to that effect and the associated justification is included in the Business Justification and Assessment section of this document.

1. Information Systems: Unit Managers and Team Leads – Offer to 10, accept 1
2. Information Systems: Technical Staff – Offer to 18, accept 2*
3. Information Systems: Operations Staff – Offer to 12, accept 1
4. Fiscal Services: All units except Healthcare Informatics – Offer to 27, accept 7
5. Fiscal Services: Healthcare Informatics – Offer to 4, accept 1
6. Policy – Offer to 3, accept 1
7. Member Services: Legal Assistants – Offer to 12, accept 1
8. Member Services: Man C Spec 1 and 3 – Offer to 16, accept 2
9. Member Services: Man C Tech and Man C Oper – Offer to 18, accept 3
10. Member Services: Clinical Positions – Offer to 19, accept 3
11. Member Services: ASA 2 and ASA 4 – Offer to 3, accept 2
12. Operations: Administrative Services – Offer to 3, accept 2
13. Operations: Internal Audit – Offer to 8, accept 1
14. Chief Medical Officer: Quality Oversight – Offer to 4, accept 1
15. Chief Medical Officer: DCS Contract – Offer to 1, accept 1
16. Long Term Care: Mental Retardation – Offer to 1, accept 1
17. Long Term Care: Adm Support Supervision – Offer to 1, accept 1
18. Long Term Care: Adm Support – Offer to 1, accept 1
19. Long Term Care: Claims Unit – Offer to 9, accept 4*
20. Long Term Care: PAE Clerical Unit – Offer to 6, accept 2
21. Long Term Care: QA Unit (utilization management function) - Offer to 2, accept 2
22. Chief of Networks – Offer to 15, accept 3
23. Office of General Counsel: Attorneys – Offer to 1, accept 1
24. Office of General Counsel: Support staff – Offer to 3, accept 2

Total Offers – 197

Total that would be accepted by the agency – 46

* Additional acceptance criteria outlined in justification

Information Systems - Within the TennCare Information Systems Division, there are not entire functions that can currently be eliminated. As such, we have looked at the entire staff in terms of roles and skills. Certain positions have been excluded from the VSP either based on ineligibility for the program or based on unique skills or critical nature of their duties. The remaining staff were stratified into three major categories: (1) unit managers/team leads, (2) technical staff and (3) operational/data entry staff. Given the number of positions in each category and the nature of their duties, we can accept a limited number of voluntary separations in each category and reassign or reorganize work to accommodate for the loss. At the end of May, the division will have 58 occupied positions. Of these, 40 are being offered the voluntary separation package and 4 will be accepted in total.

Fiscal Services – The Fiscal Services Division consists of seven teams that perform distinct functions. While the mission of the seven teams is distinct, the skill set needed for the specific tasks is often similar. Many of the tasks involve basic accounting skills, knowledge of the state accounting system, reconciliation and construction of various spreadsheets, and analytical skills needed in basic business operations. With certain training and supervision, it would be possible, in most circumstances, to interchange personnel across the teams. The exception would be the HealthCare informatics team which requires a more specialized skill set in statistical analysis, certain types of software, and statistical programming. With that in mind, staff were categorized into two groups – Healthcare Informatics and All Other Units. The VSP will be offered to all eligible employees below the Team Leader level in each group. Of the 31 receiving the offer, 8 voluntary separations will be accepted.

Policy – Policy is a small unit within the Bureau. The VSP will be offered to all eligible staff below the Director level. Three total offers will be made with the intent of accepting one separation.

Member Services – Member Services is a large division with responsibilities in the areas of eligibility, enrollee communication and appeals. Due to the size of the division and the use of similar position classes across functional units, the decision was made to offer the VSP to groups defined by job class. A total of 68 offers will be made with the intent to accept a limited number from each job class grouping. Up to 11 separations would be accepted.

Operations – The Operations Division is composed of 3 units: Administrative Services, Internal Audit and Project Management. The VSP will be offered to all eligible staff in Internal Audit and all eligible staff associated with three functions in Administrative Services. A total of 11 offers will be made (3 in Administrative Services and 8 in Audit), with up to three voluntary separations accepted (2 in Administrative Services and 1 in Audit).

Office of Chief Medical Officer – The VSP will be offered to all eligible administrative/clerical/stat analyst staff in the Quality Oversight Unit and to the position responsible for monitoring the interdepartmental contract with DCS (due to a significant reduction in the amount and scope of that contract). A total of 5 offers will be made, with an intent to accept up to 2 (only one of which could be in Quality).

Long Term Care – The Long Term Care Division will make a total of 20 offers with an intent to accept up to 11. Employees were grouped according to job function and/or functional unit. Offers will be made across 5 different job functions/functional units, with a limited number of separations accepted from each group.

Office of Chief of Networks – The VSP will be offered to all 15 eligible employees with an intent to accept up to 3 separations.

Office of General Counsel – Staff were categorized as either attorneys or support staff. The VSP will be offered to all eligible employees. One voluntary separation of an attorney will be accepted and 2 from the support staff group.

Section 2: Business Justification and Assessment

Information Systems – The TennCare Information Systems Division supports operations of the Tennessee Medicaid Management Information System and the general information systems needs of the Bureau. The Division provides both day-to-day operational support (e.g., data entry, monitoring of transaction processing, and coordination/communication of system activities) and technical support (e.g, management of system development, hardware and software support). The Division is comprised of the following units:

- Fee-for-service claims/capitation processing
- Encounter processing
- Eligibility/enrollment processing
- Desktop/network support
- Application development/technical support
- Systems testing
- Systems security
- Administration

Following review of business needs and staff roles, the following seventeen (17) staff will not be offered or eligible for the voluntary separation package:

- Division directors (4)
- Other newly appointed executive service staff (4)
- Human resources/administrative staff (3)
- Desktop/network support staff (4)
- Other critical management staff (2)

The remaining forty-one (40) staff within the unit have been categorized as either unit managers/team leads, technical staff, or operational/data entry staff, as follows

- Unit Managers/Team Leads (10), including the following classifications
 - ISM1 (1)
 - ISM2 (1)
 - MCM1 (2)
 - PA Supervisor (2)
 - ISA Supervisor (3)
 - DBA3 (1)
- Technical Staff (18), including the following classifications
 - IRSS2 (1)
 - IRSS3 (1)
 - ISA3 (2)
 - ISA4 (6)
 - PA3 (7)

- PA4 (1)
- Operations Staff (12), including the following classifications:
 - MCT (2)
 - MCS1 (3)
 - MCS2 (6)
 - MCS3 (1)

The voluntary separation package will be offered to all 40 individuals in these classifications within the Division, except those individuals that have been specifically excluded as noted above.

Within these categories, the Division will accept voluntary separation as follows:

- **1 individual in the Unit Manager/Team Lead category.** Management duties of departing employees will be reassigned to other managers within the same or similar areas, usually within the same classification series.
- **2 individuals in the Technical Staff category but not more than 1 from any particular unit/team.** The restriction on unit/team is required so that the staff reduction does not result in a disproportionate loss of subject matter/process expertise or insufficient staffing in any particular area to continue critical operations. Duties of departing employees will be reassigned to other staff within the same or similar areas.
- **1 individual in the Operations Staff category**

The Division will generally compensate for reduction in staff by reassigning work and reorganizing processes, functions and potentially teams. The Division will be able to support current operations with this staffing reduction but will likely require additional automation for certain processes and may elect to defer non-critical projects in order to maintain quality and service levels. This staffing reduction further assumes increased leverage of vendor resources and increased efficiency through implementation of enhancements as well as process assessment/analysis and redesign as part of the new MMIS contract implementation.

Fiscal Services - TennCare Fiscal is divided into seven teams that perform distinct functions. The teams are, in order of largest to smallest:

- General Accounting
- Healthcare informatics
- Drug Rebates
- Managed Care Reimbursement
- Third Party Liability
- Contracts
- Budget

While the mission of the seven teams is distinct, the skill set needed for the specific tasks is often similar. Many of the tasks involve basic accounting skills, knowledge of the state accounting

system, reconciliation and construction of various spreadsheets, and analytical skills needed in basic business operations. With certain training and supervision, it would be possible, in most circumstances, to interchange personnel across the teams. With that in mind, it would be possible to reorganize duties and/or increase workloads among staff members to cover all critical functions.

The exception would be the HealthCare informatics team which requires a more specialized skill set in statistical analysis, certain types of software, and statistical programming.

Therefore, we will offer the Voluntary Separation Plan to all 31 eligible employees below the Team Leader level. The CFO will accept, based upon seniority, the following amounts of accepted VSP:

Accounting, Rebates, Budget, Contracts, TPL, Managed Care reimbursement: 7
Healthcare informatics: 1

The CFO will then reorganize in August to ensure that all critical tasks are covered by the remaining employees.

This will require remaining employees to undergo training, accept new responsibilities, and perhaps switch Teams.

This will also require the Team Leaders to supervise and train new employees.

Policy Office – The Policy Office is a small division that assures compliance with federal waiver requirements, maintains and updates the Medicaid state plan and other operational documents, prepares and updates TennCare rules and policies, prepares reports required by the federal government and other outside agencies, and conducts policy research. By eliminating functions having to do with the preparation of documents that facilitate operation, but are not essential to the TennCare program, the Policy Office could be reduced in size.

We have determined that all three of the Civil Service employees in the Policy Office should be offered the opportunity to participate in the VSP. Only one voluntary separation will be accepted.

Member Services – Member services is a large division which is responsible for oversight of the eligibility determination process, oversight of the eligibility appeals process, enrollee communication, enrollee notice content, operations of the medical appeals call center and the medical appeals process.

All eligible employees in the following job classes will be offered the voluntary separation package:

- **Legal Asst – 12 offers, up to 1 will be accepted**
- **Man C Spec 1 and Man C Spec 3 – 16 offers, up to 2 will be accepted**

- **Man C Tech and Man C Oper – 18 offers, up to 3 will be accepted**
- **Nurse Cons 1, Nurse Cons 2, MH Pg Spec 3 and Nurse Man (i.e. all clinical positions) – 19 offers, up to 3 will be accepted**

In addition, all of the eligible employees except those working in the TennCare Eligibility will be offered the voluntary separation package:

- **ASA 2 and ASA4 – 3 offers, up to 2 will be accepted**

These reductions would be possible because:

- Volume has decreased for the unit responsible for reviewing enrollee adverse action notices and reconsideration responses from the MCCs and determining whether or not the documents meet TennCare's requirements.
- Due to a new administrative process that has been implemented related to Reimbursement and Billing Appeals, the volume of cases going to Valid Factual Dispute (VFD) for review has dropped from 354 cases the week of March 10th to 102 cases the week of April 28th.
- The volume of directives has dropped based on the number of appeals being resolved prior to hearing. During the week of March 10th, this unit received 18 cases, but by April 28th the number of cases received was 13. Based on current volume, staff could be reduced in this unit.
- There is significant variation in caseload among staff handling pharmacy appeals. There may be opportunity to streamline the process and redistribute the caseload among fewer staff.
- Due to the implementation of the new administrative process that has been implemented related to Reimbursement and Billing Appeals, the volume of cases going to TSU for review is anticipated to drop substantially. See data related to VFD. The caseload carried by the individuals in this unit varies greatly and there is some opportunity to streamline the process within this unit as well.
- Based on a new streamlined process that is currently being tested, the number of individuals in the Administrative Solutions Unit needed to key cases into the system and return calls to member could be reduced.

Operations – The Operations Division consists of three primary units: Administrative Services, Internal Audit and Project Management. The VSP will be offered to all eligible staff in 3 job classifications associated with 3 primary functions (reception, word processing and administrative support).

- **Administrative Services – Within this unit the VSP would be offered to 3 employees with a maximum of 2 separations accepted.** Work would be reassigned to other administrative staff throughout the unit and Bureau.
- **Internal Audit – Within this unit the VSP would be offered to 8 employees, with an intent to accept no more than one separation.** A reduction in sub-recipient monitoring would allow staff to be reassigned to other ongoing audit work for part of the year. Additionally, the scope of the current audit plan could be reduced by transferring responsibility for monitoring MCO compliance with DRA Section 6032 provisions, False

Claims Recovery, and provider disclosure requirements to the Office of the Chief of Networks. Since almost all of the unit's staff are auditors, the VSP will be offered to all eligible staff.

Office of Chief Medical Officer- This division includes the following work units

- Quality Oversight
- Provider Networks
- Pharmacy
- Dental
- Medical

Quality Oversight has four administrative/clerical/stat analyst employees. By early 2009, the administrative/clerical workload will be reduced due to a reduction in the number of MCOs being monitored by the Quality Oversight unit (and a resulting reduction in the amount of paperwork generated and received by the unit). In addition, the demand for stat analyst work has diminished as a result of NCQA accreditation and HEDIS reporting. **We will offer the buyout to all 4 employees, but accept only one resignation.**

Medical - The VSP will be offered to the Psychologist position in the Medical unit which monitors the TennCare contract with the Department of Children's Services. The size of that contract will be reduced in the future due to a change at the federal level prohibiting the use of Medicaid dollars to fund DCS case management. Responsibility for monitoring the remainder of the contract would be absorbed by one of TennCare's Associate Medical Directors and the divisions of Quality Oversight and Fiscal Services.

Division of Long Term Care -

1. **Mental Retardation** - As part of reorganization under new leadership, the functions of the LTC Division have recently been consolidated. Formerly, there were separate "Divisions" for Developmental Disabilities Services (i.e., LTC programs and services for persons with Mental Retardation) and Elderly and Disabled Services (i.e., LTC programs and services for persons age 65 and older and adults age 21 and older with physical disabilities), each with exclusive focus on a specific LTC *population*, rather than on the *functions* of the LTC Division. Under the reorganized Division, the remaining position with focus exclusively on the needs of persons with Mental Retardation could be eliminated.

Number of offers – 1

Number of separations accepted - 1

2. **Administrative Support Supervision** - As population-specific units for various functions of the LTC Division were consolidated with larger staff in each unit, responsibilities for broader management of the Division's PAE Clerical and Administrative Support Services Units were moved from the Managed Care Director 2 who is responsible for the Division's PAE Nurse and LTC Claims Units to a different Managed Care Director 2 who also serves as the Division's HR liaison. By dividing these management responsibilities between higher level

managers and with the possible elimination of additional Administrative Support Services Unit staff as noted below, there is less need for someone to assist in the supervision of Administrative Support Services staff, as the Managed Care Director has capacity to fully assume these responsibilities.

Number of offers – 1

Number of separations accepted - 1

Administrative Support - In addition, staff within the LTC Administrative Support Services Unit can also be reduced. LTC Administrative Support Services Staff provide administrative assistance, as needed, to units within the Division of LTC, including back-up as needed for the PAE Clerical Unit. In addition to day-to-day responsibilities, staff have been working on two special projects which are nearing completion. Upon completion of these projects and with the implementation of an electronic workflow tracking system for processing Pre Admission Evaluations that will reduce the need for backup of the PAE Clerical Unit, the staffing in this unit can be reduced. Offers will be made based on position classifications, with offers to all persons in the lowest classifications. Persons with higher position classifications (with higher levels of technical expertise) will be needed to assume greater job responsibilities.

Number of offers – 1

Number of separations accepted - 1

3. **Claims Resolution Unit** - Pursuant to Amendment 6, EDS is contracted to process suspended claims, including claims for LTC services. While the Claims Unit must maintain adequate staff to conduct resolution of suspended LTC claims that require more targeted research and expertise, address issues with claims that may have been denied inappropriately, and to perform quality oversight of the contracted EDS claims resolution functions, the number of staffing in the LTC Claims Unit can be reduced upon transition of these contracted functions to EDS. Offers will be made based on position classifications, with offers to all persons in all classifications, except the Unit Manager and team lead.

Number of offers – 9

Number of separations that will be accepted – 4 (2 of 2 Man C Tech; 1 of 1 Man C Spec 1; 1 of 6 Man C Spec 2 or 3)

4. **PAE Clerical Unit** - The LTC Division is in process of developing an electronic workflow tracking system for processing Pre Admission Evaluations. Implementation of this system will dramatically improve the efficiency of the PAE Clerical Unit which currently relies on very manual, labor-intensive processes in the determination of medical eligibility for LTC programs and services. Upon implementation of this electronic workflow tracking system, PAE Clerical Unit staff can be reduced. Offers will be made based on position classifications, with offers to all persons in the lowest classifications. Persons with higher position classifications (with higher levels of technical expertise) will be needed to assume greater job responsibilities.

Number of offers – 6

Number of separations accepted - 2

5. **Quality Assurance Unit / Utilization Management Function** - As a result of quality assurance process changes pertaining to the 3.5 waiver application for 1915(c) Home and Community Based Services (HCBS) waivers, the Utilization Review Unit can be eliminated. Quality Assurance (QA) Unit staff will no longer be conducting monthly on-site reviews of MR Waiver providers, but rather, will be conducting a look-behind of DMRS quality reviews with targeted focus reviews as necessary when problems or trends are identified. This will greatly reduce the amount of travel required, and will add capacity for the QA Unit staff to perform additional functions related to administrative oversight of HCBS waiver programs. Currently, two (2) staff are focused on Utilization Review (UR) processes (which has been a separate unit within the Division of LTC). With the aforementioned quality assurance process changes, other QA staff will be able to assume responsibility for UR processes, eliminating the need for dedicated UR staff.

Number of offers – 2

Number of separations accepted – 2

Office of Chief of Networks – The VSP will be offered to all 15 eligible employees with an intent to accept no more than 3 separations.

This reduction is possible because the Provider Enrollment unit has streamlined functions to be more efficient and is planning to implement on-line provider enrollment. In addition, the Claims resolution unit will see a decrease in claims volume after the implementation of the National Provider Identifier as well as the implementation of the new TCMIS contract.

Office of General Counsel – In light of restructuring which removed the day-to-day management of *Grier* appeals from OGC and assigned them to another unit and a recent in depth analysis of work flow and responsibilities, we believe there is the potential to meet the Bureau's needs with a reduced number of staff. Extensive cross-training of personnel allows those remaining to absorb the necessary daily responsibilities and assume more duties.

OGC will offer VSP to all four eligible staff. The above factors and the current financial position of the State support the determination that **a maximum of 2 support staff (legal assistants, administrative secretaries, managed care specialists, and managed care tag consultants) and a maximum of 1 licensed attorney should be accepted to participate in the VSP.**

Section 3: Information for F&A Budget

Financial spreadsheet attached.


Signature


Date